

**Written report of the general partner regarding agenda item 7 of the annual shareholders' meeting and agenda item 1 of the separate meeting of preferred shareholders regarding the reasons for the authorization of the general partner to exclude subscription rights in the event of capital increases from authorized capital**

The general partner and the Supervisory Board propose to the annual shareholders' meeting regarding item 7 of the agenda of the annual shareholders' meeting to authorize the general partner, with the consent of the Supervisory Board, to increase the Company's capital stock by issuing new bearer common and/or preferred shares once or several times against cash and/or contributions in kind by up to EUR 12,006,400.00 (authorized capital). The authorization includes the approval to issue new common shares and/or non-voting preferred shares, which carry the same status as the previously issued non-voting preferred shares with regard to the distribution of profits and/or company assets. The authorization to issue preferred shares without voting rights may only be exercised to the extent that the proportion of preferred shares without voting rights does not exceed half of the capital stock (Sec. 139 (2) AktG). The authorization is limited until May 6, 2026.

The new authorized capital is intended to enable the Company to quickly and flexibly raise equity at favorable conditions if required.

In the event that the authorized capital is used, the shareholders must be granted subscription rights. Subscription rights can also be granted to shareholders in such a way that the new shares are taken over by one or more banks or companies specified by the general partner within the meaning of Sec. 186 (5) Sentence 1 AktG with the obligation to transfer them to the shareholders in a subscription offer (indirect subscription right). This may be useful for processing reasons. This does not restrict shareholders' subscription rights.

However, the subscription right can be excluded by the general partner with the consent of the Supervisory Board when using the authorized capital in certain cases:

The general partner is to be authorized within the scope of the authorized capital, with

the consent of the Supervisory Board, to exclude the subscription right of the holders of shares of one category to shares of the other category if both common shares and preferred shares are issued and the subscription ratio is set to be the same for both classes (known as crossed exclusion of subscription rights). This type of class-related subscription right takes into account the idea of equal treatment and the function of the subscription right, namely the maintenance of the existing proportional voting and property rights. It also ensures that every shareholder can continue to participate in the Company's capital stock in the same class of shares and in the same ratio as before when exercising subscription rights. By contrast, the crossed exclusion of subscription rights does not limit the scope of the shareholders' statutory subscription right. The further exclusion of subscription rights is also permissible under the terms of the provisions stated below in this case.

The still possible exclusion of subscription rights to compensate for fractional amounts in alternative (i) is a measure that is necessary and appropriate for technical reasons to carry out a capital increase, in particular to create a practicable subscription ratio. Without the exclusion of subscription rights with regard to the fractional amount, the technical implementation of the capital increase would be made considerably more difficult, especially in the case of a capital increase by rounded amounts. The new shares excluded from the shareholders' subscription right as free fractions will either be sold on the stock exchange or otherwise realized as best as possible by the Company. For these reasons, the general partner and the Supervisory Board consider the authorization to exclude subscription rights to be appropriate.

The proposed resolution provides in alternative (ii) that the general partner, can, with the consent of the Supervisory Board, exclude the subscription right of the shareholders to gain contributions in kind, in particular in the context of company mergers or the acquisition of companies, parts of companies or interests in companies, or other assets, and can exclude claims for the acquisition of other assets including claims against the Company or against companies dependent on it within the meaning of Sec. 17 AktG.

The aim is to enable the Company to continue strengthening its competitiveness through acquisitions, thereby enabling sustainable and continuous growth in earnings.

The Company should have the opportunity to react quickly and flexibly to advantageous offers or other opportunities to acquire companies or parts of companies or investments in companies on national and international markets. The same applies to the acquisition of other assets, for example in connection with an acquisition project, or claims to the acquisition of assets, including claims against the Company or companies controlled by it. Experience has shown that owners of interesting acquisition objects often ask for shares rather than money in return for the sale. In the competition for attractive investments or assets, advantages can therefore arise if a seller can be offered new shares in the Company in return. Since shares have to be issued at short notice if acquisition opportunities with regularly complex transaction structures arise in competition among potential buyers, this usually cannot be decided by the annual shareholders' meeting, which generally only takes place once a year. It is therefore necessary to create authorized capital that the general partner can quickly access with the approval of the Supervisory Board.

The general partner will carefully examine in each individual case whether it should make use of the authorization to utilize the authorized capital with the exclusion of shareholders' subscription rights as soon as opportunities for acquisitions become more concrete. It will only exclude the subscription right of the shareholders if the acquisition against the issue of shares in the Company is in the best interests of the Company and the shareholders. The issue price for the new shares would be determined by the general partner with the approval of the Supervisory Board, taking into account the interests of the Company and the shareholders. There are currently no concrete acquisition projects for the implementation of which the capital stock is to be increased while excluding subscription rights.

Furthermore, the proposed resolution in alternative (iii) provides for the authorization to exclude subscription rights in accordance with Secs. 203 (1) and 186 (3) Sentence 4 AktG when the new shares are issued against cash contributions if the Company's shares are issued against cash contributions and the issue price per share is not significantly lower than the stock exchange price of the shares of the class in question, which have essentially the same features and are already listed, at the time the shares are issued. This authorization does not refer to the entire amount of the authorized capital, but to a maximum of 10 percent of the capital stock. The 10 percent limit under

Sec. 186 (3) Sentence 4 AktG may only be used once. As a consequence, the number of shares that can be issued in the event of a capital increase from the authorized capital with the exclusion of subscription rights in accordance with Sec. 186 (3) Sentence 4 AktG is reduced accordingly if and to the extent that the Company makes use of simultaneously existing authorizations to exclude subscription rights in direct or corresponding application of Sec. 186 (3) Sentence 4 AktG (e.g., in connection with the resale treasury shares) pursuant to the resolution of the annual shareholders' meeting on item 7 of the agenda during the term of this authorization. This restriction takes into account the need of shareholders for protection against dilution for their shareholdings.

The law also permits an exclusion of subscription rights in accordance with Sec. 186 (3) Sentence 4 AktG only if the issue price is not significantly lower than the stock exchange price of the already listed shares with essentially the same features. The general partner will—with the consent of the Supervisory Board—keep a discount on the stock market price as low as possible according to the market conditions prevailing at the time of the placement. The discount will in no case be more than 5 percent of the stock exchange price.

The general partner and the Supervisory Board consider the authorization to exclude subscription rights in accordance with Sec. 186 (3) Sentence 4 AktG to be necessary in order to enable the Company to cover capital requirements even at short notice and, in this way, to seize market opportunities quickly and flexibly. The exclusion of subscription rights enables very quick action without the costly and time-consuming performance of the subscription rights procedure and enables placement close to the stock exchange price (i.e., without the discount that is customary with rights issues). The Company will also be able to attract new investors in Germany and abroad with such capital increases. The concerns of the shareholders are also safeguarded by issuing the shares closely based on the stock exchange price, as they do not have to fear any noteworthy market price losses and can, if necessary, carry out the necessary share purchases at comparable prices on the stock exchange to maintain their participation quota.

Ultimately, the subscription right should be excluded in alternative (iv) insofar as it is

necessary in order to grant subscription rights to new shares to holders and/or creditors of warrants and/or convertible bonds with warrant and/or conversion rights or obligations issued by the Company or one of its majority holding companies, as would be the case after exercise of the option- or conversion rights and/or after fulfillment of option exercise or conversion obligations. To make it easier to place bonds on the capital market, the corresponding option or convertible bond conditions usually contain protection against dilution. One way of protecting against dilution is to grant the holders or creditors of the bonds a subscription right to new shares for subsequent share issues, as shareholders are entitled to. They are thus treated as if they were already shareholders. In order to be able to equip the bonds with such protection against dilution, the shareholders' subscription rights to the new shares must be excluded. This serves to facilitate the placement of the bonds and thus the interests of the shareholders in an optimal financial structure of the Company. Alternatively, only the option or conversion price could be reduced for the purpose of protection against dilution, provided that the option- or convertible bond terms and conditions permit this. However, this would be more complicated and costly for the Company to process. It would also reduce the inflow of capital from the exercise of option- and conversion rights or obligations. The issuing of bonds without protection against dilution is also conceivable. However, these would be much less attractive for the market.

A cumulative total upper limit of 10 percent of the capital stock applies to the exclusion of subscription rights under all of the alternatives proposed here, with the exception of the crossed exclusion of subscription rights. The total proportional amount of the capital stock attributable to new shares for which the subscription right is excluded due to this authorization must not exceed 10 percent of the capital stock. Shares that are issued with a crossed exclusion of subscription rights are excluded from this restriction to 10 percent of the capital stock; in this case the shareholders are not actually diluted in their participation, but can maintain their existing proportional voting and financial relationships in the previous ratio (see above). The key factor for calculating the 10 percent limit is the existing capital stock at the time that this authorization comes into effect or is exercised, on whichever of these dates the capital stock is at its lowest. Exclusions of subscription rights that the Company undertakes in the event of other capital measures during the term of this authorization shall be offset against this overall upper limit. The total upper limit is further reduced by the proportionate amount of the

capital stock that is allocated to treasury shares or new shares from another authorized capital or to which conversion or option rights or obligations from options or bonds relate that have been sold or issued with the exclusion of subscription rights during the term of this authorization. It is also to be regarded as an exclusion of subscription rights if the sale or issue takes place in direct or corresponding application of Sec. 186 (3) Sentence 4 AktG. The purpose of this limitation is to limit the potential dilutive effect in favor of the shareholders to a total share volume of 10 percent of the capital stock.

We would like to point out that the Company will no longer have any further authorized capital in addition to the new authorized capital proposed under agenda item 7 at the time of the annual shareholders' meeting, as the existing authorized capital will expire on April 26, 2021. According to agenda item 8 of the annual shareholders' meeting, conditional capital 2021 in the amount of up to EUR 12,006,400.00 is to be created to service bonds with warrants and/or convertible bonds. The existing authorization to purchase treasury shares will expire on April 26, 2021. According to agenda item 9 of the annual shareholders' meeting, a new authorization to acquire treasury shares in the amount of up to 10 percent of the current capital stock with a term until May 6, 2026, is to be created. Treasury shares acquired on the basis of this authorization could be sold to the same extent, excluding shareholders' subscription rights. New shares from conditional capital 2021 that are to be issued on the basis of option and/or convertible bonds issued with the exclusion of subscription rights, as well as treasury shares sold during the term of the authorization under exclusion of subscription rights, would be counted towards the capital limit of 10 percent of the capital stock explained above.

The general partner and the Supervisory Board will carefully examine in each individual case whether they will make use of one of the authorizations to increase capital while excluding shareholders' subscription rights. This option will only be used if, in the opinion of the general partner and the Supervisory Board, this is in the best interests of the Company and thus of its shareholders.

The general partner will report on the details of the use of the authorization at the annual shareholders' meeting following any issue of shares in the Company from authorized capital with the exclusion of subscription rights.